

UNNUMBERED LETTERS ISSUED FOR THE MONTH OF JULY 2004

Dated	Subject	Distribution
07-01-04	Farm Security and Rural Investment Act of 2002, Section 9006 Clarification of Annual Receipts for Small Businesses	S/D
07-02-04	Administrator's Reserve Selections to Fund Innovative Approaches to Preserve Rural Rental Housing Projects	S/D
07-13-04	Electronic Telephone Directory	RD Employees
07-16-04	Interest Rate Changes for Housing Programs and Credit Sales (Nonprogram)	S/D, RDM , CDM
07-19-04	Renewable Energy Systems and Energy Efficiency Improvements Program Request for National Office Funding Consideration	S/D

July 1, 2004

SUBJECT: Farm Security and Rural Investment Act of 2002, Section 9006
Clarification of Annual Receipts for Small Businesses

TO: State Directors, Rural Development

ATTN: Business Programs Directors

Under the Notice of Funds Availability for Renewable Energy Systems and Energy Efficiency Improvement Grant Program, one of the criteria in order to meet the definition of a small business is that the business must have \$20 million or less in total annual receipts including all parent, affiliate, or subsidiary entities at other locations. The U.S. Small Business Administration (SBA) provides guidelines on calculating annual receipts for existing businesses; (see 13 C.F.R. §121.104 (b) for guidance in calculating annual receipts when an existing business has been in operation for 3 years or more, or when an existing business has been in operation for less than 3 years), however, SBA regulations are silent for the entities with no operating history. Therefore, for purposes of fiscal year 2004 funding, the following method for determining total annual receipts will be used when the business is a new business with no operating history:

For operations that have no operating history, total annual receipts will be based on the typical year annual receipts for the kind and size of operation proposed. Typical year means at full operation for a complete 12-month period, unless the project is projected to achieve a full operational level within the 3-year period of the proformas, in which case the third year proformas will be used to make that determination.

(Signed by Peter Thomas) for

JOHN ROSSO
Administrator

EXPIRATION DATE:
June 30, 2004

FILING INSTRUCTIONS:
Community/Business Programs

July 2, 2004

TO: State Directors
Rural Development

FROM: James C. Alsop (Signed by David J. Villano) for
Acting Administrator
Rural Housing Service

SUBJECT: Administrator's Reserve Selections to Fund Innovative
Approaches to Preserve Rural Rental Housing Projects

For Fiscal Year 2004, an Administrator's reserve was established to help encourage the development of innovative approaches to preserve Rural Rental Housing (RRH) projects. Attached is the listing of projects selected from proposals submitted in accordance with Rural Development Administrative Notice (AN) No. 3966 (1965-B) dated April 9, 2004. Funding was provided to projects where 100 percent of rental assistance (RA) needs were funded by the State Director, those with the highest percentage use of equity funds for repair and replacement, and those with the highest per-unit contribution of non-Agency funds for repair and rehabilitation. Funding was limited to three projects per State to provide greater distribution of funds. State Directors for California, Connecticut, Illinois, Iowa, Maine, Michigan, Nebraska, Oregon and Washington may now notify the applicants of their selection and proceed to fully develop the proposals.

Prior to obtaining authorization to use Agency equity funds, you will need to obtain concurrence from the Office of Rental Housing Preservation (ORHP) of a final equity amount, National Office approval of any reamortization or subordination, and an Administrator's waiver to allow for equity at the time of a transfer. To obtain approval of the equity amount, you should follow the same process used by ORHP to concur with and authorize equity loans as part of the preservation process. Specifically, all proposals are to be appraised for an "as-is" unsubsidized value and all calculations of the final equity amount will be performed on the ORHP incentive calculation worksheet. These proposals will not be entered into PRE-TRAC.

Once ORHP concurs with the equity loan amount and the borrower has agreed, request final ORHP authorization of the Agency equity loan amount. That memorandum should also request National Office approval of any subordination and reamortization, and a request for an Administrator's waiver to allow for equity at the time of transfer. We will authorize equity funds as well as any approval or waivers in a consolidated response back to your office. All equity funds should be obligated as soon as possible, but no later than September 24, 2004. If you have any questions regarding this process or actions required, please contact Cynthia Reese-Foxworth, 202-720-1940 (Cynthia.Reesefoxworth@usda.gov) or Larry Anderson, 202-720-1611 (Laurence.Anderson@usda.gov).

Attachment

EXPIRATION DATE: September 30, 2004

FILING INSTRUCTIONS:
Housing Programs

OFFICE OF RENTAL HOUSING PRESERVATION
 Preservation Proposals for Equity Funding
 Fiscal Year 2004

State	PROJECT NAME	ANTICIPATED EQUITY LOAN AMT.	TRANS. COMPLETE BY 9/30/2003	Impact on Minority	Trns To NP	Trns To LP	30 Year or RUL RUPs?	CURRENT RUPs?	Units in Proj.	RA TYPE F/E	# RA UNITS	RA Dollar Amt.	RA Contrib. by State	Tax Crdts or 3rd prty finance?	Repair/ Rehab Work?	Per Unit Equity	Contrib. Of Non-RHS Funds to R/R	% of Equity Designated for Rehab	COMMENTS
FUNDED																			
OR	Cedar Park Gardens	\$ 370,000	Yes	Yes	Yes		Yes		20	E					\$ 244,200	\$18,500		66%	Transferee: Caritas Comm. Hsg. Corp
IL	Trust 2 Edgetown Apts.	\$ 203,400	Yes		Yes		Yes	No	15	F	3	\$35,991						100%	
IL	Trust 49 Edgetown Apts.	\$ 101,500	Yes				Yes	No	16	F	3	\$35,991						100%	
CA	Olivehurst Apartments	\$ 833,000							51	F	10	\$146,150					\$16,333	\$ 1,600,000	100%
ME	Waldoboro Apartments	\$ 413,000	Yes	No	Yes		Yes	No	12	F					\$ 30,000	\$34,417		7%	
WA	Ridgeview Terrace Apts.	\$ 1,028,460	Yes			Yes	Yes	No	80	E	3	\$43,845		\$ 1,697,829	\$ 1,011,517	\$12,856	\$ 2,213,650		Ridgeview Mount Vernon, LP to acquire. No Eq. Used for R/R
MI	Lakeview	\$ 69,962	Yes	No		Yes	Yes	No	32	F	5	\$63,805		\$ 592,000	\$ 592,000	\$2,186		100% equity to be applied to purchase price	
IA	The Goodlife Retirement Center (Robert & Arline Jones)	\$ 500,000	Yes	No	Yes		Yes	17-Feb-09	56	E				\$ 821,000		\$8,929			Property is in excellent cond.\$371,000 bank loan and \$450,000 contract w/seller is in the deal
MI	Chatterton Apts.	\$ 61,772	Yes	No		Yes	Yes	14-Aug-04	24	F	4	\$51,044		\$ 148,565	\$ 480,000	\$2,574		100% equity to be applied to purchase price	
ME	Downes Street Elderly Apts.	\$ 200,000	Yes	No	Yes		Yes	No	12	E				\$ 20,000		\$16,667			
CT	Grove Manor Associates, LP	\$ 390,000	Yes	No	Yes		Yes	No	27	E						\$14,444			Transferee: Thomaston HA
NE	L.E. Risor Apts.	\$ 10,000	Yes	No			Yes	No	8	F						\$1,250			\$100K in rehab; w/be placed on list for 2005 R/R
TOTAL		\$ 4,181,094							353		28	\$ 376,826	10	\$ 3,279,394	\$ 2,357,717	\$ 148,059	\$ 3,813,650		
AMT AVAIL		\$ 4,300,000																	
BALANCE		\$ 118,906																	

July 13, 2004

SUBJECT: Electronic Telephone Directory

TO: All Rural Development Employees

I am pleased to announce the implementation of Rural Development's Electronic Telephone Directory through the joint efforts of the Support Services Division and the Customer Services Division. This electronic directory replaces the paper version and will allow my staff to quickly and easily obtain and maintain the most current information. Use your browser to access the directory at: <http://teamrd.usda.gov>; then select "RD Directories" and "RD HQ Directories."

Please report changes to the Support Services Division by clicking near the bottom of the entry search page on the SSDServiceDesk@usda.gov to open a mail message. You should use "E-Tel Directory Change" as the e-mail's subject. System questions should be addressed to the RDHelpDesk@usda.gov or you may call 202-690-0283.

(Signed by Deborah B. Lawrence) *for*

SHERIE HINTON HENRY
Deputy Administrator
for Operations and Management

EXPIRATION DATE:
December 31, 2004

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent via electronic mail on July 14, 2004 at 3:10 p.m. by Customer Services Division.

July 16, 2004

SUBJECT: Interest Rate Changes for Housing Programs
and Credit Sales (Nonprogram)

TO: Rural Development State Directors,
Rural Development Managers,
and Community Development Managers

ATTN: Rural Housing Program Director

The following interest rates, effective August 1, 2004, are changed as follows:

<u>Loan Type</u>	<u>Existing Rate</u>	<u>New Rate</u>
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ALL LOAN TYPES

Treasury Judgement Rate	1.820%	2.160%
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The current rate shown above is as of the week ending June 25, 2004. The actual judgement rate that will be used will be the rate for the calendar week preceding the date the defendant becomes liable for interest. This rate may be found by going to the Federal Reserve web site for the weekly average 1-year CMT yield (www.federalreserve.gov/releases/h15/data/wf/tcm1y.txt).

RURAL HOUSING LOANS

Rural Housing (RH) 502 Low or Moderate	6.375	6.375
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EXPIRATION DATE:
August 31, 2004

FILING INSTRUCTIONS:
Administrative/Other Programs

Single Family Housing (SFH) Nonprogram	6.875	6.875
Rural Housing Site (RH-524), Non-Self-Help Rural Rental Housing and	6.375	6.375
Rural Cooperative Housing	6.375	6.375

Please notify appropriate personnel of these rates.

(Signed by Russell T. Davis)

RUSSELL T. DAVIS
Administrator
Rural Housing Service

Sent by Electronic Mail on 07-20-04 at 10:00 a.m. by PAD.

July 19, 2004

SUBJECT: Renewable Energy Systems and Energy Efficiency
Improvements Program
Request for National Office Funding Consideration

TO: State Directors, Rural Development

ATTN: Rural Energy Coordinators

The purpose of this unnumbered letter is to clarify and provide guidance regarding requests for funding consideration from the Renewable Energy Systems and Energy Efficiency Improvements Grant Program (Rural Energy Program) for fiscal year 2003.

All funds are retained in the National Office. Applications must be received in the National Office **by August 16, 2004**. Please allow sufficient time for mail delivery. In order to effectively track funding requests, all funding request packages must be sent by Federal Express, with an e-mail to Joseph Ben-Israel that includes the name of the applicant, type of assistance (renewable energy or energy efficiency improvement), amount of request, purpose, date package was sent, and Federal Express tracking number. All funding request packages including priority score sheet will be reviewed by a Second Tier Review Committee for accuracy.

To expedite the internal review and selection of applications by the Second Tier Review Committee, requests for Rural Energy Program funding will include the following:

1. A priority score sheet from the interim tracking system (see attached), with sufficient documentation for each criteria to provide the National Office reviewers with a full understanding of how each criteria was scored. For ease of locating information, each criteria containing supporting information should be tabbed, numbered, and attached to the priority score sheet.

EXPIRATION DATE:
July 31, 2004

FILING INSTRUCTIONS:
Community/Business Programs

2. Legislative and Public Affairs Staff Project Selection Notice (see attached). In order to expedite the announcement of awards, describe in detail the scope of the project, purpose of grant funds, amount of energy generated and saved, and the impact and benefits to the rural economy, environment, and community.
3. A copy of the results of the Department of Energy=s technical review. Technical reviews will be conducted for all renewable energy systems and energy efficient improvements.

The National Office will prepare the final projects selection sheet. If you have any questions concerning the content of this unnumbered letter, please call Joseph Ben-Israel, Specialty Lenders Division Processing Branch, (202) 720-6819.

signed

PETER J. THOMAS
Acting Administrator
Rural Business-Cooperative Service

Attachments

Priority Score Report*As of July 21, 2004, 08:22:04 AM EDT*

ID:	50151
Applicant:	Blue Spruce Farm, Inc.
Technology:	Anaerobic Digester
Grant Request:	97318
Status:	Active

Renewable Energy Criteria	Score	Explanation
Quantity of Energy:		
Environmental benefits:		
Commercial availability:		
Cost effectiveness:		
Matching funds:		
Management:		
Small Ag Producer:		
Priority Score	0	

Technical Review Report*As of July 21, 2004, 08:18:41 AM EDT*

ID:	50147
Applicant:	Columbia Energy Partners, LLC
Project Title:	The Mar-Lu Wind Farm
Technology:	Wind, large - Community scale - 4.5 MW
Grant Request:	500000

Technical Review Status:	Under Review
Technical Review Date:	
Comments:	
Conditions:	



Contact: Leslie Brown
Phone: (202) 720-9928
Transmittal Date:
Obligation Date: Will Call

PROJECT INFORMATION

Rural Development has approved a grant of \$16,637.00

Program: Renewable Energy Systems and Energy Efficiency Improvements Grant

State: MINNESOTA

County: STEELE

Congressman, District: Project: 1 District,
Grantee: Minnesota 1st District, Gil Gutknecht

Senators:

Recipient: MJW Windpower, Inc.

Recipient Contact: Myrna J. Winter

Mailing Address: 7655 Dane Road
Owatonna, MN 55060

Telephone: 5074514830

Purpose of Grant:

Previous Funding: FY 2003: \$0.00